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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000004

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STATE FOR EAP/MTS, EAP/MLS AND PM

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [MARR](#) [ECON](#) [RP](#) [TH](#) [MY](#)

SUBJECT: AMBASSADOR'S INTRODUCTORY CALL ON DEPUTY PRIME
MINISTER NAJIB

Classified By: Political Section Chief Mark D. Clark for reasons 1.4 (b
and d).

Summary

1. (C) The Ambassador and Deputy Prime Minister Najib Tun Razak met on December 31 for an introductory call, during which they discussed U.S. and Malaysia's common interests in bolstering international systems such as the UN and WTO. Najib described core relations with the U.S. as good and looked forward to increased bilateral engagement, but after the U.S. elections. The Ambassador encouraged greater engagement and highlighted the on-going FTA negotiations as an opportunity to strengthen relations. Najib commented that the two countries would continue to agree to disagree on some issues, such as human rights and the Iraq war. Military relations were "strong and stable," Najib noted, and he said he would attempt to resolve the port fees issue impeding U.S. naval visits. With U.S. assistance for radar installations, Malaysia was improving its ability to deny terrorist access to transit routes in the Sulu/Sulawesi seas area. Malaysia and its neighbors had successfully bolstered security in the Straits of Malacca. The Deputy Prime Minister expressed concern over the failure of the latest MILF peace talks and criticized the Philippines government for allegedly reneging on earlier promises. Malaysia hoped the next Thai government would adopt a conciliatory approach to stem unrest in southern Thailand. End Summary.

Common Interest in Global Systems

2. (C) Ambassador Keith paid an introductory call on Deputy Prime Minister and Defense Minister Najib Tun Razak on December 31. Taking a strategic and global perspective, the Ambassador and Najib discussed the desirability of well integrating China and India into the world economy and the international system. Najib agreed with the Ambassador that it is in the interests of both Malaysia and the U.S. to work together to strengthen global systems, such as those under the United Nations and WTO. The Ambassador noted nonproliferation and export controls in this context, urging a leadership role for Malaysia in the Financial Action Task Force (FATF) and steps leading to Malaysia's qualification over time as member of the Mission Control Technology Regime (MCTR). The Ambassador welcomed Malaysia's continued commitment to UN peacekeeping as an indication of its ability to contribute to the strengthening of international institutions on a global basis.

Core Relations Good, Look Toward More Engagement

13. (C) Najib pronounced the "core" U.S.-Malaysia relationship to be "in good shape." Recognizing that Malaysia and the U.S. share some important common global interests, Najib said that, "We want to engage more with the United States and I'd like to do so personally." Najib added that he saw such high-level engagement taking place only after the U.S. elections. The DPM noted that Malaysia would welcome the U.S. adopting foreign policies with greater emphasis on international consensus and engagement. The Ambassador encouraged Najib to carry out an official visit to Washington and pledged to assist in arrangements.

FTA

14. (C) The Ambassador highlighted the on-going FTA negotiations as offering an important opportunity to strengthen the relationship, noting the next round of talks slated to begin January 14. The U.S. hoped that International Trade and Industry Minister Rafidah could help to conclude the agreement by summer 2008. The Ambassador alluded to recent decisions by the Ford Company and others to disinvest from Malaysia, and argued that an FTA would help U.S. companies remain part of the country's success story. Najib responded positively and stated that "we have given Rafidah the mandate" to conclude a deal.

Agreeing to Disagree

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15. (C) The Ambassador, alluding to U.S. public comments on issues such as freedom of assembly and trafficking in persons, noted that human rights would remain part of the U.S. policy agenda. Najib commented that the two countries would continue to agree to disagree on some issues in the relationship. He offered the Iraq war as an example. Malaysia did not support the U.S.-led military action, not out of sympathy for Saddam Hussein, but because Malaysia believed the U.S. should concentrate resources on the fight against international terrorism and Al Qaeda rather than open "another front" that would become deeply unpopular.

Mil-Mil Relations "Strong and Stable"

16. (C) U.S.-Malaysia defense relations "are very strong and stable," Najib stated. The military-to-military relationship featured "lots of interaction," including seminars, symposiums, intelligence exchange, and, "in a limited way," exercises. Malaysian armed forces "always participate" when invited to a U.S. military event. The Ambassador said the U.S. was grateful for the extent of bilateral military cooperation and wanted to steadily expand our defense ties. The Ambassador noted that we would need to address the issue of Malaysian port fees for U.S. naval vessels in order to maintain such port calls. Najib stated, "We don't want your sailors and ships to be charged" such fees, and said he was looking into the situation.

Sabah; Counter-terrorism

17. (C) Najib expressed his appreciation for support under the U.S. DOD 1206 program for coastal radar installations in eastern Sabah, which would give Malaysian forces "good coverage" of the tri-border maritime area between Malaysia, Indonesia and the Philippines. This would help Malaysia deny access to the Abu Sayyaf and Jemaah Islamiyah (JI) terrorist groups, including blocking the JI transit route between Mindanao and Indonesia. Najib stated that Malaysia had addressed the security concerns within Sabah itself and he

was pleased to see U.S. sailors taking liberty in Sabah; in fact, Americans should feel safe anywhere in Malaysia. The Ambassador said the U.S. is very satisfied with counter-terrorism cooperation with Malaysia, but vigilance remained necessary. Continued reports of terrorist-related activities meant that both countries must still watch the issue closely in the tri-border area and elsewhere.

Improved Security in the Straits of Malacca

18. (C) DPM Najib affirmed that security in the Straits of Malacca had improved in recent years due to greater attention and cooperation among Malaysia, Singapore and Indonesia including joint patrols and the "Eyes in the Sky" program, which Najib claimed as his own concept. These efforts were showing results, with reduced incidences of piracy, adding that the threat in the Straits was never one of international terrorism.

Concern over Mindanao Peace Process

19. (C) DPM Najib, reflecting evident personal interest and attention, raised the subject of the Malaysia-facilitated peace talks between the Philippines Government (GRP) and the Moro Islamic Liberation Front (MILF), saying that Malaysia was watching the situation in the southern Philippines "very carefully." Najib said the latest informal talks in mid-December constituted a "failure" because the GRP "reneged" on earlier promises and consequently the MILF had walked out. Najib said it would be a matter of "some concern" if the GRP "doesn't stick to its commitments," and this would be a set-back to the needed development of trust between the parties. If the GRP went ahead with a referendum, the outcome could be counter-productive. President Arroyo appeared to be in an "internal tussle" with some of her Cabinet members; nevertheless, Mindanao required a political settlement. Najib warned that the current deployment of International Monitoring Team (IMT) members would be Malaysia's "last stint," as Malaysia would not extend the mission beyond August 2008, which will mark a four-year IMT commitment. Najib said, "I hope the U.S. can

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play its part" to encourage compromise. Ambassador Keith assured Najib of U.S. engagement in support of the peace process and a comprehensive agreement. Ambassador Keith suggested that interim setbacks were to be expected given the history of this issue and we continued to believe in the viability of the peace process.

Waiting for New Thai Government

110. (C) Najib said he hoped the new Thai government, once formed, would adopt a conciliatory approach to ethnic Malay communities in southern Thailand. Heavy-handed policies during the Thaksin period had triggered a cycle of violence and a stepped-up insurgency. While incidences of violence had abated somewhat since Thaksin's ouster, the outgoing military government had not been in place long enough to bring about significant change. Bangkok should grant religious freedom and exercise religious tolerance in the south, and not try to assimilate the ethnic Malays. On the other hand, the ethnic Malays must respect Thai laws, the Constitution and the King, and learn the Thai language in schools. Malaysia could not force ethnic Malays to return to Thailand, but Najib hoped that Thai government security guarantees would encourage more refugees to return. The Ambassador acknowledged Malaysia's security and humanitarian issues related to the southern Thai insurgency, and anticipated further direct discussions between Kuala Lumpur and Bangkok. Najib observed that the political situation in Thailand had prevented conclusive results from earlier discussions, but he expected Malaysia and Thailand to

reengage in the not-too-distant future.

Migrant Workers and Indonesia

¶11. (C) The Ambassador raised the importance of sound policies regarding migration and migrant workers. Najib stated that Malaysia has two million legal foreign workers, but needed to reduce the number of undocumented migrant laborers, estimated at up to one million. Indonesians constituted the largest group of foreign laborers, and the migrant worker issue featured prominently in relations between Malaysia and Indonesia.

Comment

¶12. (C) Najib presented himself as energetic and engaging in the Ambassador's introductory call. He spoke strategically and recognized that a Malaysian role in bolstering the international framework is in line with Malaysia's national interest. This represents a useful angle for us to pursue as we promote U.S. objectives, such as non-proliferation and export control. While he did not call for expanded defense ties, Najib clearly values the current bilateral military relationship with the United States and appears willing to countenance steady, deliberate expansion of our security ties.

KEITH